



Associated Industries of Missouri

Bick Group

Cerner Corporation

City Utilities of Springfield

Clay County Economic
Development Council

Columbia Regional Economic
Development, Inc.

DST Systems

The Economic Development
Corporation of Kansas City, Missouri

Gaines Consulting

Hunt Midwest

Jack Henry & Associates

Kansas City Area
Development Council

KCP&L

Lee's Summit Chamber of Commerce

Lee's Summit Economic
Development Council

Liberty Partnership for
Community Growth

Missouri Chamber of
Commerce and Industry

Missouri Economic
Development Council

Missouri Telecommunications
Industry Association

The Mountain Complex

Rolla Regional Economic Commission

Saint Joseph Area
Chamber of Commerce

St. Louis Regional Commerce
and Growth Association

Spectrum Consulting Group LLC

Spencer Fane

Stinson Morrison Hecker

The Missouri Coalition for Data Centers (MCDC) is comprised of individuals and companies committed to helping the state attract and retain technology companies to Missouri. MCDC believes as America produces less physical product and becomes more a data processor, Missouri must be a leader in the attraction of these high-tech companies and the jobs generated. To do so, economic development incentives, at least comparable to our neighboring states, need to be in place.

What is a data center?

A data center can be described as a facility that houses computer servers and related systems, telecommunications equipment and digital storage devices for all types of organizations, such as major corporations, government entities and internet service providers.

Why are they important for Missouri?

The data center industry is a nearly \$100 billion global enterprise growing at more than eight percent annually. It is a \$27 billion industry in the US alone.

Missouri is poised to capture these types of technology companies due to the low cost of power, abundant power capacity, availability of fiber, protection from natural disasters, deep IT talent, etc.

To explain, if Missouri captured even five percent of the \$27 billion invested in the United States, the following benefits would be created for the State of Missouri:

- \$1.5 billion of private investment for data center construction plus another \$1.3 billion investment for tenant IT equipment
- 750 permanent jobs paying \$75,000 per year (\$56 million of annual payroll)
- Over 1,000 permanent indirect / induced jobs from operations of the data center. (\$100 million of annual payroll)
- Over 4,000 temporary construction jobs over a 10-year period during construction of direct, indirect and induced jobs. (\$100 million of average annual payroll)

Over a 10-year period, roughly \$540 million would be generated back to the State (excluding the sales tax incentives requested). These dollars coming back to the State are generated from the employee and corporate income taxes, sales tax spent by the employees and the job multiplier effect.

Why are tax incentives necessary?

Tax incentives are essential for Missouri to compete with the adjacent states (Nebraska, Iowa, Kansas and Oklahoma) for large enterprise users (i.e.; Google, Yahoo, large financial institutions, etc.). These adjacent states have become "data center friendly" as they understand that the "processing of data" is as important as the "processing of materials."

Currently, a 100,000 s.f. data center would be handicapped by \$22 million to do business in the State of Missouri. With the proposed incentives, the same data center locating in Missouri would be on an "even playing field" with the adjacent states and would contribute an estimated \$54 million in average annual net tax revenue over 10 years to the State of Missouri.





Associated Industries of Missouri

Bick Group

Cerner Corporation

City Utilities of Springfield

Clay County Economic
Development Council

Columbia Regional Economic
Development, Inc.

DST Systems

The Economic Development
Corporation of Kansas City, Missouri

Gaines Consulting

Hunt Midwest

Jack Henry & Associates

Kansas City Area
Development Council

KCP&L

Lee's Summit Chamber of Commerce

Lee's Summit Economic
Development Council

Liberty Partnership for
Community Growth

Missouri Chamber of
Commerce and Industry

Missouri Economic
Development Council

Missouri Telecommunications
Industry Association

The Mountain Complex

Rolla Regional Economic Commission

Saint Joseph Area
Chamber of Commerce

St. Louis Regional Commerce
and Growth Association

Spectrum Consulting Group LLC

Spencer Fane

Stinson Morrison Hecker

What kind of legislation is being proposed?

The proposed incentives package:

- Establishes a sales tax exemption on all:
 - electrical energy, gas, water and other utilities including telecommunication services used in a new data center
 - machinery, equipment and computers used in a new data center
 - retail of tangible personal property and materials for construction, repairing or remodeling of any new data center
- Requires the submittal of a project plan to the Missouri Department of Economic Development for any new data center seeking tax exemptions. DED will then certify the site, tying the benefit to physical location.
- Calls for at least \$5 million in investment over 36 months in a new data center before exemptions apply and sales taxes can be reimbursed.

These are incentives that require a large private capital investment with no request for investment tax credits from the State. They create high-paying jobs in a 21st century growth industry. Data center demand is projected to exceed supply over the next decade.

What are the tax incentives for adjacent states?

NEBRASKA

- Sales tax refund based upon number of jobs created and investment
- Personal property tax exemption with a minimum investment

IOWA

- Sales tax exemption on computers and equipment
- Sales tax exemption on electricity
- Personal property tax exemption

KANSAS

- Sales tax exemption on initial capital investment and subsequent investments (with required job creation)
- Personal property tax exemption

OKLAHOMA

- Sales tax exemption on computers, equipment and utilities
- Personal property tax abatement

For more information, please contact:
Tracy King with the Missouri Chamber of Commerce
at 573-634-3511 or tking@mochamber.com
OR
Ray McCarty with Associated Industries of Missouri
at 573-634-2246 or ray@raymccarty.com

